

CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
12 June 1968

INTELLIGENCE MEMORANDUM

Communist Aid to North Vietnam

1. The appended tables present our latest estimates of economic and military aid supplied to North Vietnam for the years through 1967. It is too early to estimate the value of aid for any portion of 1968, although an upward trend in economic aid is suggested and military aid probably has been maintained at least as high as the level that prevailed in 1967.

2. The trade imbalance with Communist countries that has been growing since 1964, apparently has been increased in the first five months of 1968, indicating that economic aid probably has been at levels above those of 1967. Seaborne imports through May 1968, have reached about 830,000 tons, 20 percent greater than for the same period in 1967; seaborne exports of about 300,000 tons have been about 20 percent below exports for the same period in 1967. The trade imbalance is even greater than suggested by these tonnage data.

3. Le Thanh Nghi, North Vietnam's chief aid negotiator is currently in Eastern Europe on an aid seeking mission. So far,

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according to the North Vietnamese press, supplementary 1968 and 1969 economic and military aid agreements have been signed with Hungary, Bulgaria and Poland. On 10 June, Le Thanh Nghi was in Rumania for similar negotiations, and agreements with the other Communist countries are expected to follow. The fact that these agreements provide for supplementary aid for 1968, together with the fact that they have been signed about four months earlier than in previous years, also suggest that aid deliveries in 1968 will continue at a high level.

4. Military aid imports -- mostly by rail -- during the five months of 1968 are not believed to have been reduced despite the lower requirements for antiaircraft ammunition and for SAM's resulting from the US bombing restrictions since 31 March. We believe that military aid has continued apace during the present bombing standdown in the north, to build up stockpiles of military goods. If the bombing restrictions continue or if bombing in North Vietnam is further restricted, a reduction could be made in North Vietnam's imports of air defense materiel. In 1967, such imports were valued at about \$530 million.

5. Military aid in 1968 has apparently included infantry weapons from European Communist countries and a wide range of modern weapons from the USSR and China. Recently captured enemy materiel in South Vietnam, in addition to Chinese and Soviet types, have included copies of Soviet designed infantry weapons that were manufactured in Bulgaria, Poland, and Rumania. Although the discovery of these weapons in South

Vietnam does not necessarily prove importation through North Vietnam, most of the East European aid agreements for 1968 included references to military aid and it would not be surprising if East Europe were now supplying such weapons to North Vietnam for use in the South. Communist China in early 1968 delivered a hydrofoil torpedo boat to North Vietnam either to replace or to augment the older force of P-4 and P-6 torpedo boats. China also is believed to be sending very modern radar equipment to North Vietnam. The Soviets have continued to improve the North Vietnamese all-weather jet fighter capability by providing advanced versions of the MIG-21.

6. Revised estimates of economic and military aid supplied to North Vietnam are shown in the attached tables. Recently published 1967 trade data showing greater imports from the European Communist countries have resulted in the raising of the estimate of European economic aid in 1967 from \$60 million to \$90 million. This increase in value does not affect the estimate of the general types of economic goods being imported from European Communist countries during 1967 or thus far in 1968. Minor changes have been made in the military aid estimates for 1967 as a result of additional information pertaining to the quantities and country of origin of some military end-items. We have increased our estimate of 1967 Soviet military aid from \$505 million to \$515 million and decreased Communist Chinese military aid from \$150 million to \$145 million.

Table 1

Communist Aid to North Vietnam

<u>Military*</u>	<u>Million US \$</u>				
	<u>1954-64</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>Total**</u>
Soviet Union	70	210	360	515	1,155
Communist China	70	60	95	145	370
East Europe	Negl.	Negl.	Negl.	Negl.	Negl.
Total	<u>140</u>	<u>270</u>	<u>455</u>	<u>660</u>	<u>1,525</u>
<u>Economic</u>					
Soviet Union	365	85	150	200	800
Communist China	457	50	75	80	660
East Europe	129	15	50	90	285
Total**	<u>950</u>	<u>150</u>	<u>275</u>	<u>370</u>	<u>1,745</u>
Total Economic and Military Aid	<u>1,090</u>	<u>420</u>	<u>730</u>	<u>1,030</u>	<u>3,270</u>

* Data show the value at Soviet Foreign trade prices of weapons, other military equipment and ammunition. They exclude aid for the construction of military installations and defense-related facilities.

** Totals may not add due to rounding.

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